

## **Meeting Summary**

### **CSI Metal Finishing Strategic Goals Program - Publically Owned Treatment Works**

### **November 19, 1998**

The meeting was called to order at 10:10 a.m. by facilitator Kathy Watson. After walking through the meeting agenda, Ms. Watson asked those in attendance to introduce themselves and their respective affiliations. **A copy of the meeting roster is attached.**

Tim Method, IDEM Deputy Commissioner for Environmental Results, described the various compliance tools used by the agency including compliance and enforcement, technical assistance and pollution prevention. Historically, facilities have been regulated using a single-media approach. However, through IDEM's Multimedia Compliance Pilot Project, IDEM is testing a new approach with five (5) industrial sectors, including metal finishing. Teams of staff for each sector are working to familiarize themselves with their particular industry and making recommendations for working internally and externally in a more effective and efficient manner. Sector teams are identifying: (1) what are the real obstacles to better environmental performance of these industries; (2) what IDEM is doing now that does not facilitate removal of these obstacles, and (3) ways to do our jobs "smarter."

Tim explained that IDEM also is looking at industry incentives to go "beyond compliance." The agency saw the CSI Metal Finishing Strategic Goals Program (SGP) as a good vehicle for the pilot project and for developing "beyond compliance" incentives, and signed on as a charter state. He explained the need for industry, the agency, publically owned treatment works (POTWs) and the public to have a common understanding of what the SGP is about (without the acronyms) and to determine how to work together for environmental gains. The agency is piloting better ways to do business through everything we do, and will be working specifically with metal finishers. In the afternoon, we will be meeting with the ten (10) Indiana metal finishing facilities signing on to the SGP.

Matt Gluckman, Pretreatment Coordinator for EPA Region 5, provided an overview of the Common Sense Initiative approach and more specifically the SGP as follows:

#### The Common Sense Initiative/Strategic Goals Program

- begun in 1994 to address limitations of the traditional, single-media approach
- to look at industries as a whole (issues, environmental themes)
- create flexibility and innovation in achieving results, not pulling back on standards
- cleaner, cheaper, smarter actions/results
- multi-stakeholders on CSI Metal Finishing Subcommittee from the beginning
- 6 industrial sectors - metal finishing is the most successful and most active
- first to establish "beyond compliance" goals
- "Strategic Goals Program" National Goals and Action Plan document is the result - signed on to by all stakeholders in December 1997

Note: The SGP was developed through the Common Sense Initiative's metal finishing subcommittee. Consistent with the Common Sense Initiative's commitment to involve multiple stakeholders, this subcommittee included representatives from the industry (individual firms and the national trade associations); state and local government; environmental; labor; public interest groups; and EPA. Over a three-year period, these stakeholders invested substantial time and energy in defining the issues most critical for improving metal finishing environmental operations and management.

- goals considered achievable by all (not an EPA mandate or edict)

- 2 parts to performance goals: 3 facility-specific, and 2 sector-wide goals
- about 2000 facilities in Region 5 (6 states - Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio)
- 5 year period remaining to reach goals by 2002, with 1992 as baseline year
- over 200 metal finishing facilities have signed on nationwide
- action items defined including identifying barriers (economic) and incentives to move forward
- different tiers identified according to level of performance (Tier 1 (best) to Tier 4 (worst))
- action steps tied to tier structure; be careful in how you use the tier structure; have to demonstrate through performance
- the SGP doesn't identify how the goals will be achieved at the state/local level so that is why the state/local regulatory agencies need to get involved - to work out programs, policies, incentives
- different tools to move facilities up or out of the industry, or take effective enforcement actions
- POTWs deal with metal finishers daily and are a very important part of this program
- have heard issues and motivations for Chicago area metal finishers; but may be different for Indiana
- translate into policy and regulatory responses (rewards, incentives, benefits - and at what point do they obtain them)
- strong recognition POTWs very important to SGP
- should be a win-win for everyone (better environmental benefit; financial and economic benefit to community)

John Craddock of the Muncie pretreatment facility, provided additional historical information regarding the work of the CSI Metal Finishing Subcommittee. Mr. Craddock is a member of the National Subcommittee; appointed in 1995. Mr. Craddock explained that:

- Subcommittee is comprised of 1/3 industry, 1/3 environmental groups, and 1/3 regulators (2 POTWs)
- group met every 2 months over a 3 year period, sometimes 2 days at a time
- 1<sup>st</sup> six months - unmoveable agendas, preconceived notions of others
- over time process changed; and compromise reached

#### BENEFITS TO POTWS

- help promote non-adversarial relationship with metal finishers
- clean, cheaper, safer
- reduce environmental problems
- reduction in government oversight of programs achieving goals
- put regulator/regulated on same side of fence to reduce pollution
- most of the metals will go on product; not into air, land, water
- significant reduction in water use
- fewer pollutants to disrupt POTWs
- fewer NPDES violations
- less frequent monitoring, reduced cost
- more training, assistance to POTWs.

Mr. Gluckman reported that the following assistance is available:

#### ASSISTANCE AVAILABLE

EPA videos \$100/5 volume set (**order form attached**)

Guidance documents - which will be on EPA web-site

Welcome Aboard Kit

Tom Neltner, Assistant Commissioner for IDEM's Office of Pollution Prevention and Technical Assistance

(OPPTA), summarized the SGP “tiers of performance” in the following manner:

Tier 1 - leaders, need recognition

Tier 2 - “wannabe leaders” who need clarification, guidance, and compliance assistance

Tier 3 - can’t be’s

Tier 4 - don’t want to be’s

Mr. Neltner explained that OPPTA:

- focuses a lot on the “leaders” tier and tier 2; they do not do much for tiers 3 and 4 (which is the Office of Enforcement’s responsibility)
- is an advocate for pollution prevention (P2) and resource efficiency within the agency and other agencies (e.g., OSHA, Fire Marshal)
- had made P2 grants available to POTWs - both Indianapolis and Elkhart had received \$5,000 P2 grants to help develop relationship between POTW’s and industries that discharge to them (8 recipients out of 45 delegated municipal pretreatment programs)
- can still do another round of P2 grants to POTWs.
- ISO 14000: \$8,000 grants for businesses and POTWs - closed now, but open to suggestions if that assistance would help.
- research grants (e.g., chrome and molybdenum substitutes)
- compliance assistance - statutorily confidential; make referrals to Clean Manufacturing Technology and Safe Materials Institute (CMTI) at Purdue as well (technical assistance)
- recognition programs/awards: e.g., Governor’s 5-star program
- CMTI plater’s conference in spring (end of March)
- needs to hear what POTWs need from OPPTA

Claudio Ternieden, Nonrule Policy Section Chief in the Office of Water Management, offered the following advantages to POTWs through SGP support and participation:

IDEM/other incentives

- include POTWs in planning for/developing/understanding/implementing new rules (pretreatment, water quality standards, Great Lakes Initiative (GLI), Triennial Review) - will effect NPDES permit and limits
- facilitate discussions between POTWs and metal finishers, and provide periodic updates at such sessions of other local/State/federal activities
- develop partnerships between POTWs, metal finishers, elected officials
- coordinate exchange of P2 information
- explore other partnerships
- other regulatory incentives such as process for regulatory and monitoring relief (how to develop flexibility in existing local regulations - ordinance interpretation)
- Tier 4 enforcement (EPA and IDEM backup - will be there to extent POTWs feel necessary)

Debbie Dubenetzky of IDEM briefly explained the results of the SGP issue area surveys sent to both the SGP metal finishers and their respective POTW prior to today’s meeting. These parties were asked to prioritize their interest in each of the ten (10) major SGP enabling actions. All 6 affected POTWs responded to the survey and 6 out of the 10 SGP metal finishers returned completed interest surveys.

**A copy of the survey results is attached.**

Mr. Craddock addressed the issue of enforcement of chronic non-compliers by stating that on the national

level, leaders of the metal finishing industry sent a strong message that they want Tier 4 performers out of business as they provide unfair competition. Ms. Froehlich of EPA confirmed this message and stated that Tier 4 performers may not be in our traditional databases; it can be tricky to find them. Through the SGP, we can develop creative methodologies for approaching Tier 4 platers.

The facilitator then asked each of the POTW representatives to provide their comments, questions and issues for larger group discussion as follows:

#### POTWs - Comments/Questions on Program Participation

##### Michigan City -

Q: Is initiative intended to raise POTWs' involvement in solid waste and air? Our expertise is related to industrial pretreatment. Are we expanding POTW role or increasing knowledge?

Mr. Craddock - through permitting program, work with metal finishers to reduce metals coming into system; reduce monitoring (shift monthly to quarterly reports)

IDEM - multimedia compliance pilot program is a state initiative, with POTWs integrated for water portion of it. We do want to increase knowledge of sludge issue though.

Q: Only ten Tier 1 companies on list - is this all there are? Who is Tier 1, Tier 2, etc.?

Ms. Froehlich - EPA is trying to find out through a study of the industry; funding benchmarking (performance) study for distribution industry-wide. Participants can compare where they fit it to industry performance as a whole.

Results in next year.

Comment: If reduce water consumption, it will reduce fees to POTWs.

Q: What is regulatory relief?

Mr. Craddock - regulations at state/local/federal level; monitoring may change depending on whether you have signed up; incentives will vary in type and applicability.

Ms. Froehlich - metal finishers are concerned about:

(1) 90-day storage rule - draft rule at OMB now.

(2) F006 - the waste is different now from when the RCRA rule was written in 1980. Region 5/Milwaukee platers looking at their waste - however failing Toxic Characteristics Leaching Procedure (TCLP) rule.

IDEM seeking delegation from EPA for pretreatment; will allow state to offer greater flexibility.

Mr. Gluckman - pretreatment streamlining package in works - about 12 issues.

Ms. Froehlich - re: MF 2000 - where is flexibility in regulations now for top performers; evaluating those now in Detroit pilot.

##### Ft. Wayne -

Supportive of fewer government regulations. Ft. Wayne is seeking reorganization, possible cutting of staff. To undertake new programs, programs need to be sold to local officials.

Mr. Craddock - work it through your local Chamber.

Bob Tolpa - this is the same process Chicago had to go through - free up resources in order to spend time on other needed issues.

IDEM - this program may reduce personnel needs. Also, IDEM and EPA are available to help "sell" this.

##### South Bend -

Q: What does it mean to sign on?

Mr. Craddock - it means to voluntarily participate. You can opt out, too.

Q: What are POTWs being asked to do?

It is a partnership with state and metal finishers.

Elkhart -

Q: You don't have to be true Tier 1 to sign on. Incentives will require changes in permits, which requires time and resources

Mr. Craddock - for most permits it will be a monitoring change - it is a one-page change.

Q: What if we have problems with MF (e.g., on possible incentives)?  
IDEM and EPA will facilitate.

Indianapolis -

- Will there be a way to share experiences with other states?

EPA - yes, we can do this

Comment - success is in participation of the metal finishers. Three in Indianapolis have signed on, but there are 60 total. There is concern about those not represented. Who will sell the program to the rest? The trade associations?

Mr. Craddock - yes

EPA - having the POTWs on board will be an incentive for the metal finishers too.

The facilitator indicated that during the afternoon session with the SGP metal finishers, she will report out on the discussions during the POTW meeting this morning. She also asked the group for ideas on how to regularly communicate and when next to meet. The following was suggested:

FUTURE COMMUNICATION

Suggestion: Coordination through the Indiana Water Pollution Control Association (IWPCA) Pretreatment Committee. Also a suggestion was made for POTWs to get with their metal finishers and discuss the SGP. POTWs need information regarding performance worksheets, priorities, expectations, and timelines. Main question for everyone is how do we do this (and how to manage expectations).

The meeting was adjourned at 12:20 p.m. The group will reconvene at 1:00 p.m. to meet with the SGP metal finishers, industry representatives, and other technical assistance providers.

## **Draft Meeting Summary**

### **CSI Metal Finishing Strategic Goals Program - Metal finishers Portion**

### **November 19, 1998**

The meeting was called to order at 1:10 p.m. by facilitator Kathy Watson. After walking through the meeting agenda and introductions by those in attendance, the following presentations were made:

#### IDEM Perspective from Deputy Commissioner Tim Method

Interest in SGP came in part from interest in multimedia, sector-based regulatory approach.

IDEM is interested in understanding the perspectives of industry and the public - in finding new approaches to compliance that uses this better understanding.

#### EPA Perspective from Maryann Froehlich of EPA Headquarters - see morning notes.

Interest in looking at:

- sectors, not one size fits all regulation.
- Also, CSI came about from economic changes and recognition that economic development and environmental protection go hand-in-hand.
- Finally, there is the notion of environmental stewardship, which was emerging privately across the country, and the imprint they're leaving on the environment.

These three formed the backdrop for the CSI.

Dialogue between industry, state, federal and local government representatives created trust.

MF also stated that not all Metal finishers are alike. This is where the idea of tiers came from. There are different needs for each tier.

About 17 states                      35 POTWs                      250 Metal finishers

All these groups are asking the question - how can we move beyond compliance toward better environmental stewardship?

#### National Industry Perspective from Robert McDowell

Mr. McDowell hired by Surface Finishing Industry Council (SFIC) to lead industry side.

The command and control of the past has created mistrust. Many Metal finishers are waiting in the wings to see what happens. Many are willing to move beyond compliance through the SGP. It is a better approach than the old command and control. Region 5 a leader; elements in Indiana correct; we need to sign up more metal finishers; have a good start. McDowell attends these meetings around the country to determine what the various issues/concerns are; offers assistance, support, and coordination.

#### Issues Being Tackled Around the Country:

Chicago - flexibility, monitoring was occurring daily. Have made application for XL project, for those achieving national performance.

So. Cal. - how to help Tier 3 companies exit industry. "Access to Capital" program for those who want to move up.

Indiana MF need access to capital to install equipment so they can go beyond compliance; financial incentives a major concern.

NYC - enforcement is an issue. For companies installing new equipment, they should have enforcement relief for past performance as they improve current performance.

NJ - Metal finishers and POTWs want to set up an educational workshop to train staff.

PA - P2 workshops; incentives for industry and POTWs.

Wisconsin - trying to sign up major POTWs; identifying environmental groups that can be involved. Indiana will need to identify environmental groups to participate and to sign-on to SGP to lessen likelihood of 3<sup>rd</sup> party lawsuits.

NC and Texas - attempts to identify 3<sup>rd</sup> tier Metal finishers.

The biggest ally in the process is the POTW. Need to assess what is available at local level to implement program - what is available now that we're not doing now.

Metal finishers question when is best time to "blow the whistle" on Tier 4's.

As go through the process, must ask ourselves what will make SGP attractive to more Mf? Will help us to identify barriers to going beyond compliance.

Indiana has good/strong industry leadership - hope to get captive shops involvement as well.

#### Region 5 Perspective from Bob Tolpa

Within 6 states, 2000 Metal finishers. so SGP important to Region 5.

EPA is supportive of opportunities to be flexible and support the SGP.

#### Facilitator Kathy Watson's POTW Breakout Report

- Same basic CSI and SGP information provided to POTWs in morning session, but with more POTW-specific information
- issues raised (will put together notes from two meetings and distribute)
- their questions
- suggestions on how to communicate in the future

#### Metal finishers Perspective

##### Triplex Plating -

1. Need technical assistance - that is why they signed up. Now cyanide-free due to technical assistance.

2. Also, interested in the F006 issue - can it be de-listed?

EPA/Nate Nemani - a waste can be de-listed if found not to meet the hazardous waste characteristics; but timing variable. Can be a lengthy process. Typically used by large manufacturing facilities large generators of waste.

EPA/Froehlich - has national-level initiative underway to look at the waste again. EPA doing a benchmarking study. The waste is different, but it probably still flunks the characteristic test.

Part of the study is to look at other ways to recycle.

How many have an F006 issue? 3

##### Baycote Metal Finishing -

60% of "pollution hours" is used fighting Superfund sites. Would like to spend time on SGP, but may not have time.

##### Metal Plate Polishing -

Could be a SGP if installed new equipment (i.e., sludge dryer). Any money for this?

EPA/Froehlich - working with Small Business Development Center in Los Angeles

CMTI/Corson - will get information on funding sources

IDEM/Neltner - problem is access to capital due to Metal finishers' reputation - bankers will not loan to platers (potential Superfund site)

EPA/Tolpa - EPA did an "access to capital study" nationally - available on-line.

[www.strategicgoals.org](http://www.strategicgoals.org)

[CSI documents](#)

EPA/Nemani - Subtitle C versus D disposal - stabilization step; in regulations - relief for recyclers and reclaimers

McDowell Enterprises -

What are the advantages to MF to sign up? Only one MF per POTW will not make much impact. Need to sign up more Metal finishers.

Need to offer incentives to get folks to sign on..

The flexibility needs to go all down the line - EPA to State to POTW to MF

If MF signs up, it needs to know down the line when it performs well that it won't be inspected so often and it will only have to monitor for metals it uses, not all metals.

When will these incentives be coming?

EPA/Froehlich - great question, but not an original question. Various levels of what's in it for me - even for government. MF have attention of EPA at highest levels. Reinventing government. Metal finishers honored and there - improving industry. Don't know who's a Tier 1 plater - benchmarking entire industry in order to determine. Platers to look at normal distribution so plater will see where they are.

McDowell - Metal finishers/POTWs know who good folks are

IDEM/Terneiden - pull databases together (POTWs, state, EPA)

understand local ordinances there for a reason - what impediments are there for us going forward?

incentives to POTWs - IDEM revising pretreatment rules - look for place to build in local POTW flexibility

coordination of efforts - OPPTA/CTAP, CMTI, others

communication to local community that we're doing this

HH Sumco -

F006 issue. Regional offices to communicate on delisting petitions.

Seleco - no major issues, here to learn.

Imagineering Enterprises -

Technical assistance needed to go beyond compliance and better technology.

Funding issues - would like to see a government-sponsored loan program, investment tax credits. As for issue area survey - feel each major issue area is a Priority 1 (highest priority ranking).

Commercial Plating Co. -

Interested in level playing field - wants to see Tier 4 businesses identified.

Electrochemical Coatings -

Is a small operation - keep it simple!

State oversees their permit.

Don't have time and resources to address many of these issues.

Baycote Metal Finishing -



F006

Overall cost of compliance - they do many different types of metal finishing takes large amount of resources - 35-40% of gross income to environmental compliance  
Interested in things that would reduce costs.  
Recycling, point source control of wastes.  
Consistency within various regions of EPA (was plater in Georgia for 16 years).

Ted Heemstra - concerns related to MF participation

Concerns have been raised by Metal finishers that if go beyond compliance - they'll be subject to "anti-backsliding" in NPDES permits, and antidegradation policy in GLI  
Concern about gaps between MF and POTWs; signed up nationally - some signed up without the other Metal Products and Machinery (MP & M) - categorical standards under development - why should I spend any \$ on SGP, with MP & M hanging over our heads?  
Any NPDES MF signed on (captive operations)? Don't think so.  
EPA/Gluckman - planning to propose MP&M standards in 2000 with final adoption in 2002. HQ has goal of incorporating SGP into MP&M standards (e.g., if meeting SGP goals, don't have to meet MP&M standards (this is just one proposal)).  
'95 MP&M proposal has formally been withdrawn.

CMTI/Corson - Metal finishers are small for the most part. Keep this in mind; make program realistic for this group.

Platers is one of four sector categories CMTI deals with..

Franke Plating Works -

Even if de-list sludge, there is still a liability issue wherever you dispose of it, waste in landfills now.  
MF don't have the capital for Superfund cleanups.  
Need money to comply, want to comply, but banks won't loan the money.  
1/3 gross income on waste treatment.  
Want technology that's out there, but limited space in segregating wastestreams.  
Carol McDowell - this is where relief for past performance comes in, especially if your plant has been around since the 1930's.

CMTI/Corson - question about tiers of performance. Interested in working with the Tier 3s.

Any attempt by the state to put into tiers?

Bob McDowell - national CSI Subcommittee trying to establish criteria for tiers to be used by states.

Top priority in Region 2 to determine what is a tier 1 - will have a national impact. No criteria established at this point. A lot of national debate on this issue - CSI Subcommittee will begin discussions next month at their meeting in Los Angeles. Want a level playing field across the nation.

Corson - requested a listing of POTWs' platers from IDEM from both 413 and 433 categories

Imagineering - will being ISO 14000 have impact on how a MF will be viewed for SGP goals?

ISO 14000 is bringing environmental requirements into the management system.

EPA - have not looked at this yet.

Other Information - Debbie Dubenetzky/IDEM reminded those in attendance to sign-in on the meeting attendance sheet (in order to compile mailing list) and that a variety of informational documents were available at the sign-in table.

She also briefly summarized the results of both the POTW and metal finisher SGP issue area prioritization surveys, which is available in a handout document.

#### Possible Next Steps -

Tom Neltner/IDEM commented as follows:

1. OPPTA will provide a round of P2 grants for POTWs..
2. Suggests letter to POTWs/Boards from EPA as outreach - to show benefits, ask for support - justify the time.
3. F006 delisting - develop criteria for faster track of delisting petitions. Come up with time and criteria for consistency - real sign of good faith.

Region 5/Tolpa - willing to try to get resources for this - state needs to commit, too.

EPA/Froehlich - advice- keep it simple in first year regarding what we work on

Think about a process - suggestion for metal finishers/POTWs to make up a “wish list” of things Metal finishers can do in first year and state/POTW can provide. 3 - 4 things people could work on - what makes sense in this state.

Carol McDowell - particularly supportive of Neltner’s first two ideas.

#### Jerry Phillips/American Electroplaters and Surface Finishers Society - Indianapolis Branch (AESF) -

There may be some distrust that the multimedia compliance team are the same people doing the SGP.

IDEM needs to make a firm statement about the SGP and what they are willing to do. A strong commitment from the highest level.

#### TJM/IDEM

Wrote down 14 items that could form the “wish list” - could be whittled down to make it more simple.

Would be worthwhile for MF to meet and work on. Have State/POTWs do the same and then all meet back together. Get back together in a couple of months to decide on what we can do that is manageable to all of us.

#### NEXT STEPS -

1. IDEM will get meeting notes out.
2. Lynn Corson (CMTI) will convene metal finishers in January - come up with short and long-range actions. Will send out invitations and notices of meeting.
3. IDEM/POTWs will convene too - come up with short and long-range actions.
4. Larger group meeting or call. Identify 3 or 4 helpful things to do - pick “low hanging fruit.”

The meeting was adjourned at 4:05 p.m.